

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

\_\_\_\_\_  
IN THE MATTER OF YVONNE V. KINNON  
\_\_\_\_\_

)  
) FILE NO. 0000652  
)

CONSENT ORDER OF SUSPENSION

TO THE RESPONDENT: Yvonne V. Kinnon  
(CRD #: 855891)  
1330 East 89<sup>th</sup> Place  
Chicago, Illinois 60619

c/o Dexter B. Johnson  
Mallon & Johnson, P.C.  
Attorneys at Law  
19 South LaSalle Street  
Suite 1202  
Chicago, Illinois 60603

WHEREAS, Respondent on the 19th day of February, 2003 executed a certain Stipulation to Enter Consent Order of Suspension (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated September 17, 2002 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Suspension ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, while neither admitting nor denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That at all relevant times the Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act until February 12, 2002.
2. That from September 5, 1978 through July 20, 2000, the Respondent was employed as a salesperson by Waddell & Reed Inc. (Waddell), a Illinois registered dealer.

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3. That Tonya Shoffner (Shoffner) is a natural person and a resident of the State of Illinois.
4. That at all relevant times the Respondent employed Shoffner, her daughter, to act as her personal assistant in the Respondent's home office.
5. That Essie Jakes (Jakes) is a natural person and a resident of the State of Illinois.
6. That during the period from at least 1998 through 1999, Jakes maintained a securities account with various mutual fund sub-accounts (the "Account") with Waddell, the Respondent acting as his account representative.
7. That during the period 1998 through 1999, Shoffner, as Respondent's assistant and in the course of Respondent's business, accepted public orders and in Jakes' Account entered both authorized and unauthorized orders to effect liquidating transactions in the various funds he owned, including but not limited to the following authorized transactions:
  - a. September 17, 1998 Shoffner accepted and entered order to liquidate in the amount of \$40,000.
  - b. On or about October 23, 1998, Shoffner accepted and entered orders to liquidate in the aggregate amount of \$8,700 from the following mutual fund sub-accounts
    - (i) \$2,000 from fund #621;
    - (ii) \$2,000 from fund #623.
    - (iii) \$2,700 from fund #627; and
    - (iv) \$2,000 from fund #634.
  - c. On March 3, 1999 Shoffner accepted and entered order to liquidate in the amount of \$5,400.
8. That the activities described in paragraph seven (7) constitutes the activities of a salesperson as defined in Section 2.9 of the Act.
9. That during all relevant times, Shoffner was not registered with the Secretary of State as a salesperson pursuant to Section 8 of the Act.
10. That Section 8.E(1)(e)(ii) of the Act provides, *inter alia*, that the registration of a salesperson may be revoked if the Secretary of State finds that such salesperson is offering or selling or has offered or sold securities in this State through a salesperson other than a registered salesperson.

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11. That Section 8.E(3) of the Act provides, that withdrawal of an application for registration as a salesperson becomes effective 30 days after receipt of an application to withdraw or within such shorter period of time as the Secretary of State may determine, unless any proceeding is pending under Section 11 of the Act when the application is filed or a proceeding is instituted within 30 days after the application is filed. If a proceeding is pending or instituted, withdrawal becomes effective at such time and upon such conditions as the Secretary of State by order determines. If no proceeding is pending or instituted and withdrawal automatically becomes effective, the Secretary of State may nevertheless institute a revocation or suspension proceeding within two years after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective.
12. That in addition to permitting the foregoing unregistered sales activity, on about July 20, 2000, Waddell terminated the Respondent for "failing to supervise activities of a personal employee who misappropriated client funds."

WHEREAS, by means of the Stipulation, the Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

That by virtue of the foregoing, Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Sections 8.E(1)(e)(ii) and 8.E(3) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that:

1. Her registration as a salesperson in the State of Illinois shall be suspended beginning on February 12, 2002 and ending thirty (30) days after the entry of this Consent Order; and
2. She shall pay the sum of One Hundred dollars (\$100.00) to the Office of the Secretary of State, Investors Education Fund as reimbursement to cover the cost of investigation of this matter. Said sum shall be payable by means of certified or cashier's check and made to the order of the Secretary of State, Investor's Education Fund and shall be due within thirty (30) days from the entry of this Consent Order.

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WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED:

1. Yvonne V. Kinnon's registration as a salesperson in the State of Illinois shall be suspended beginning on February 12, 2002 and ending thirty (30) days after the entry of this Consent Order.
2. Yvonne V. Kinnon shall pay the sum of One Hundred dollars (\$100.00) to the Office of the Secretary of State, Investors Education Fund as reimbursement to cover the cost of investigation of this matter. Said sum shall be payable by means of certified or cashier's check and made to the order of the Secretary of State, Investor's Education Fund and shall be due within thirty (30) days from the entry of this Consent Order.
3. The formal hearing scheduled on this matter is hereby dismissed without further proceedings

ENTERED :This 27<sup>th</sup> day of February, 2003.

A handwritten signature in black ink that reads "Jesse White". The signature is written in a cursive style with a horizontal line underneath.

JESSE WHITE  
Secretary of State  
State of Illinois